

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF CODES AND STANDARDS**

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[HCD Website: www.hcd.ca.gov](http://www.hcd.ca.gov)

**NOTICE OF PROPOSED ACTION****TITLE 25. CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY
DEVELOPMENT
(MOBILEHOME AND SPECIAL OCCUPANCY PARKS, EMPLOYEE HOUSING, AND
MANUFACTURED HOUSING PROGRAMS)**

NOTICE IS HEREBY GIVEN that the California Department of Housing and Community Development (HCD or Department) proposes to adopt regulations governing the Mobilehome Parks (MP(s)), Special Occupancy Parks (SOP(s)), Employee Housing (EH), and Manufactured Housing (MH) Programs (collectively "Programs") which are established by the Mobilehome Parks Act (MPA), Special Occupancy Parks Act (SOPA), Employee Housing Act (EHA), and Manufactured Housing Act (MHA) (collectively "Acts"). If approved, the proposed regulations would set forth HCD's increased fees related to these programs. Such fee increases are necessary in order to improve efficiencies and services provided to the public, and to collect revenue commensurate with the actual costs associated with HCD's obligations, services, and activities.

PUBLIC HEARING

No public hearing is currently scheduled. However, pursuant to Government Code section 11346.8, if a written request to hold a public hearing is received no later than 15 calendar days before the close of the written comment period at the address below from any interested person or their authorized representative, the Department shall, to the extent practicable, provide notice of the time, date, and place of the hearing by mailing the notice to every person who has filed a request for notice with the Department.

SUBMISSION OF WRITTEN COMMENTS

Any interested person, or their authorized representative, may submit written comments relevant to this proposed regulatory action. All written comments must be received by HCD no later than 8:00 a.m. on May 9, 2023 in order to be considered. Written comments may be submitted by mail, email, or fax as follows:

By mail to: California Department of Housing and Community Development
Division of Codes and Standards
P.O. Box 277820
Sacramento, CA 95827-7820
ATTN: Fee Realignment Regulations – Housing Regulations Team

By email to: Title25@hcd.ca.gov
Subject Line: Fee Realignment Regulations–Housing Regulations Team

By fax to: (916) 263-3383
ATTN: Fee Realignment Regulations - Housing Regulations Team

PERMANENT ADOPTION OF REGULATIONS

Following the public comment period, HCD may adopt the proposals, as described below, or may modify the proposals if the modifications are sufficiently related to the original text. With the exception of minor technical or grammatical changes, the text of any modified proposal will be available for at least 15 days prior to its adoption from the contact person(s) designated in this notice and will be mailed to those persons who have submitted written or oral testimony related to this proposal or who have requested notification of any changes to the proposal. HCD will accept written comments on the modified regulations during the 15-day period.

AUTHORITY AND REFERENCE

The authority and reference for this action occurs through both implied and express authority as described below:

HCD has express and implied rulemaking authority as provided in:

1. MPA, Health and Safety Code (HSC) sections 18153, 18300, 18502, 18502.5, 18551, 18552, 18613, 18613.4, 18613.5, and 18613.7
2. SOPA, HSC sections 18153, 18300, 18865, 18865.05, 18870.2, 18870.3, and 18871.3
3. EHA, HSC sections 17003.5, 17036, 17040, and 17050
4. MHA of 1980, HSC section 18015

Additionally, HCD has express authority, as provided by HSC section 50406, subdivision (n), to “do any and all things necessary to carry out its purposes and exercise the powers expressly granted by this division [Division 31, commencing with section 50000].”

The Legislature, through the MPA, SOPA, EHA, and MHA, authorizes HCD to administer these laws and adopt regulations that interpret and make specific these Acts. This includes the adoption of a schedule of fees for the construction, alteration, and operation of MP, SOP, EH facilities, and manufactured homes/mobilehomes (MH), respectively, and the authority to adopt proposed regulations thereto.

HCD is implementing, interpreting, and making specific HSC sections noted below.

1. MPA - HSC sections 18153, 18300, 18305, 18400, 18400.3, 18407, 18500, 18501, 18502, 18502.5, 18503, 18551, 18552, 18613, 18613.4, 18613.5, and 18613.7
2. SOPA - HSC sections 18153, 18300, 18862.17, 18865, 18865.6, 18866, 18866.5, 18870, 18870.2, 18870.3, 18870.4, 18870.6, and 18871.3
3. EHA - HSC sections 17036, 17040, 17050, and 17062
4. MHA - HSC section 18031

INFORMATIVE DIGEST

SUMMARY OF EXISTING LAW

1. **MPA (Part 2.1 (commencing with section 18200) of Division 13 of the Health and Safety Code).** HCD is responsible for the enforcement and regulation of minimum health and safety standards inside mobilehome parks (MP(s)). These minimum health and safety standards regulate construction, maintenance, occupancy, use, and design of MPs and are required to guarantee park residents maximum protection of their manufactured home/mobilehome (MH-unit(s)) investment and a decent living environment. These mandates safeguard the habitability and affordability of this housing source. HCD is responsible for collection of fees and issuance of the Permit to Operate for MPs.
2. **SOPA Part 2.3 (commencing with section 18860) of Division 13 of the Health and Safety Code).** HCD is responsible for the enforcement and regulation of minimum health and safety standards inside special occupancy parks (SOP(s)). These minimum health and safety standards regulate construction, maintenance, occupancy, use, and design of SOPs and are required to guarantee the safety of park occupants and ensure a decent environment for recreation or temporary occupancy. HCD is responsible for collection of fees and issuance of the Permit to Operate for SOPs.
3. **EHA Part 1 (commencing with section 17000) of Division 13 of the Health and Safety Code).** HCD's authority under the Employee Housing Act provides that HCD promulgate statewide preemptive regulations relating to the maintenance, use, and occupancy of EH to assure minimum health and safety standards are met when housing employees in rural areas. EH is defined as private housing provided for five or more employees, or in certain circumstances, five or more farm workers in rural areas as defined in HSC Section 17008.
4. **MHA (Part 2 (commencing with section 18000) of Division 13 of the Health and Safety Code).** HCD's authority under the Manufactured Housing Act of 1980 requires preemptive rules for the statewide permit and inspection of alterations or conversions of new and used manufactured homes and mobilehomes; for oversight of the construction of all commercial modular and special purpose commercial modulars that are manufactured, sold, and used in California; and for the approval certification and oversight of third-party design and inspection agencies that work on HCD's behalf. Third-party agency activity is required to be continuously monitored by the MH Program staff, by performance of on-site monitoring visits, review of complaints from the public or local jurisdictions, plan review monitoring, and review and approval of third-party monthly activity reports.

SUMMARY OF EXISTING REGULATIONS

1. **Mobilehome Parks and Installations**, Title 25, Division 1, Chapter 2, Articles 1 through 11.
2. **Special Occupancy Parks**, Title 25, Division 1, Chapter 2.2, Articles 1 through 11.
3. **State Housing Law Regulations and Earthquake Protection Law – Regulations: Employee Housing**; Title 25, Division 1, Chapter 1, Subchapter 3, Articles 1 through 8.
4. **Factory-Built Housing and Mobilehomes: Mobilehomes, Recreational Vehicles and Commercial Coaches-Regulations**, Title 25, Division 1, Chapter 3, Subchapter 2, Articles 1 through 5.

SUMMARY OF EFFECT OF PROPOSED REGULATORY ACTION

The purpose of these proposed regulations is to establish consistent fees for services provided, and to realign fees based on our actual duties and activities relating to health and safety inspections, complaint investigations, state mandates, administration, and supervision of the home offices located statewide, and to facilitate efficiency of HCD operations.

Those sections within title 25, California Code of Regulations affected by this rulemaking (see “Sections Affected,” below), and the specific purposes for each adoption in these proposed regulations, are set forth in the Initial Statement of Reasons for this regulatory action.

SECTIONS AFFECTED

Amend: 644, 645, 1004.5, 1008, 1016, 1017, 1020.1, 1020.4, 1020.7, 1020.9, 1025, 2004.5, 2008, 2016, 2017, 2020.4, 2020.7, 2020.9, and 4044

Sections within title 25, California Code of Regulations affected by this rulemaking, and the specific purposes for each adoption in these proposed regulations, are set forth in the Initial Statement of Reasons for this regulatory action.

POLICY STATEMENT OVERVIEW

ANTICIPATED BENEFITS OF THE PROPOSED ACTION

This action will realign HCD’s current regulatory fees for critical programs to reimburse actual program costs, and to improve efficiency of operations.

EVALUATION OF INCONSISTENCY/INCOMPATIBILITY WITH EXISTING STATE REGULATIONS

The proposed regulations are compatible with existing state regulations, as there are no regulations currently in existence that provide fees for services similar to the activities

relating to maintenance and construction of MPs and SOPs, the health and safety of EH employees, or alterations of MH-units.

SMALL BUSINESS IMPACT STATEMENT

HCD has made an initial determination that this regulatory action would have a minor impact (totaling approximately \$4,193 annually) on operators of EH facilities, as small business owners, with a valid HCD permit to operate, since the regulatory action will increase relevant fees.

DISCLOSURES REGARDING THE PROPOSED ACTION

- Mandate on local agencies and school districts: NONE
- Costs or savings to any state agencies: NONE
- Costs or savings to local agencies or school districts, which must be reimbursed in accordance with Part 7 (commencing with section 17500) of Division 4 of the Government Code: NONE
- Other nondiscretionary costs or savings imposed on local agencies: NONE
- Costs or savings in federal funding to the state: NONE
- Costs to housing: NONE

BUSINESS IMPACT

HCD has made an initial determination that this regulatory action would not have a significant adverse economic impact on general California business enterprises and individuals, including the ability of California businesses to compete with businesses in other states or create or expand business in California, and will not affect creation or elimination of jobs in the State of California because the proposed regulatory action seeks to increase fees to cover HCD's staffing shortages and actual costs in delivering services.

COST IMPACT ON REPRESENTATIVE PRIVATE PERSON OR BUSINESS

HCD has made an initial determination that the proposed regulatory action would have a minor impact (totaling approximately \$4,193 annually) on operators of EH facilities, as small business owners, with a valid HCD permit to operate, since the regulatory action will increase relevant fees. Further, the total fee increases to representative private persons acting in reasonable compliance with the proposed action (i.e., requesting permits, plan review, technical service inspection, or other services and paying the associated fees) will amount to approximate \$3,667,056 annually.

RESULTS OF THE ECONOMIC IMPACT ANALYSIS

HCD has determined that the proposed regulatory action will not have a significant adverse effect on private individuals or small businesses because the proposed fees have been realigned with HCD's actual costs for services rendered.

- The proposed regulation will neither create nor eliminate jobs within California.
- The number of businesses that will be created or eliminated is indeterminate.

- There are no businesses currently doing business within the State of California that would be expanded as a result of this regulation.
- The proposed regulations will positively affect the health and welfare of California. The proposed regulations will allow HCD to properly align its field operations unit to be geographically efficient, to provide additional administrative support to resolve many backlogged legal issues, and to implement the recent recommendations of the Office of the State Auditor for efficiency of operations and to accomplish all state mandated functions.
- There are no anticipated benefits to worker safety or the state's environment.

CONSIDERATION OF ALTERNATIVES

HCD must determine that no reasonable alternatives are available, or have otherwise been identified and brought to its attention, that would be more effective in carrying out the purpose for which the action is proposed; would be as effective and less burdensome to affected private persons than the proposed action; or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law. HCD has determined that this proposed regulatory action represents the most cost-effective, efficient, and practical action to maintain adequate funding for the effective delivery of critical services.

AVAILABILITY OF DOCUMENTS AND CONTACT PERSON

HCD has prepared an Initial Statement of Reasons for the proposed regulatory action and has available all the information upon which the proposal is based. Copies of the exact language of the proposed regulations, the Initial Statement of Reasons, the rulemaking file, the Final Statement of Reasons (when available) and other information, if any, may be obtained upon request from HCD at the following location or from the contact people listed below:

California Department of Housing and Community Development
Division of Codes and Standards
9342 Tech Center Drive, Suite 500
Sacramento, CA 95826
Fax: (916) 263-3383

Main Contact: Jenna Kline, (916) 841-5286

Alternative Contact: Mitchel Baker, (916) 214-8097

In addition, the Notice of Purposed Action, the exact language of the proposed regulations, and the Initial Statement of Reasons may be found on the [HCD's Mobilehome Parks website](https://www.hcd.ca.gov/mobilehome-parks) at the following address:

<https://www.hcd.ca.gov/manufactured-and-mobilehomes/mobilehome-parks>

Questions regarding the regulatory process or clarification on the substance of this regulatory proposal may be directed to:

Housing Regulations Team
Telephone: (916) 841-5286
Fax: (916) 263-3383
Email: Title25@hcd.ca.gov